

August 16, 2011

**VIA ECFS**

Marlene H. Dortch, Esq.  
Secretary  
Office of the Secretary  
Federal Communications Commission  
445 Twelfth Street, S.W.  
Washington, D.C. 20554

Re: *In re Applications of AT&T Inc. and Deutsche Telekom AG for Consent To Assign or Transfer Control of Licenses and Authorizations*, WT Dkt No. 11-65  
**REDACTED - FOR PUBLIC INSPECTION**

Dear Ms. Dortch:

AT&T Inc. and Deutsche Telekom AG (the “Applicants”) jointly filed quantitative economic and engineering Analyses that demonstrate AT&T’s acquisition of T-Mobile USA will be pro-competitive. On August 11, 2011, in response to questions from Staff at both the Department of Justice and the Federal Communications Commission, AT&T submitted an updated Engineering Analysis, the output of which continues to demonstrate significant cost savings and other efficiencies would result from the proposed transaction.

As described in previous submissions, the Economic Analysis uses the marginal cost calculations from the Engineering Analysis as inputs. Accordingly, in light of the updated Engineering Analysis submitted, Professor Carlton and his colleagues have re-run the Economic Analysis using the updated marginal cost figures from the Engineering Analysis submitted on August 11, 2011.<sup>1</sup> The results from this updated Economic Analysis continue to demonstrate that, in each market, the proposed transaction will result in substantial consumer benefits: (i) industry output will expand and (ii) quality-adjusted average prices will decrease.

Pursuant to the Protective Order and Second Protective Order in this proceeding,<sup>2</sup> we are submitting a redacted version of this letter via ECFS. In addition, we are

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<sup>1</sup> The Economic Analysis remains unchanged in all other respects.

<sup>2</sup> *In re Applications of AT&T Inc. and Deutsche Telekom AG for Consent to Assign or Transfer Control of Licenses and Authorizations*, WT Dkt No. 11-65, Protective Order, DA 11-674 (WTB rel. Apr. 14, 2011) (“First Protective Order”); *In re Applications of AT&T Inc. and Deutsche Telekom AG for Consent to Assign or Transfer Control of*

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submitting the updated Economic Analysis to you on CD-ROM. Finally, we are submitting two paper copies of the unredacted Highly Confidential version of the Analysis to Kathy Harris of the Wireless Telecommunications Bureau staff or her designee.

We will be happy to provide the Commission staff with additional information concerning the enclosed analysis and assistance in interpreting it. If you have any questions or require further information, please feel free to contact Richard Rosen at 202-942-5499 or richard.rosen@aporter.com, or Nancy Victory at 202-719-7344 or nvictory@wileyrein.com. Thank you for your assistance.

Sincerely,

/s/

Richard L. Rosen  
Counsel for AT&T Inc.

/s/

Nancy J. Victory  
Counsel for Deutsche Telekom AG

cc (via email): Best Copy and Printing, Inc.  
Kathy Harris, Esq.  
Kate Matraves  
Jim Bird, Esq.

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*Licenses and Authorizations*, WT Dkt No. 11-65, Second Protective Order (Revised), DA 11-1100 (WTB rel June 22, 2011), *modified*, DA 11-1214 (WTB rel. July 19, 2011) (“Second Protective Order”).

**The attachment containing the Economic Analysis has  
been redacted.**